

JUNE 13, 2003

Commission Order No. 2001-996 sets out the guidelines and administrative procedures for the USF, and provides that after the Initial Phase, on April 1 of each year, beginning in 2003, each ILEC receiving USF support may file tariff reductions and request additional USF support to fund the continued removal of implicit support contained in rates. Such filings will be considered by the Commission and a decision rendered by September 1 of the same year for inclusion in the state USF as sized each October 1. Additionally, Order No. 2001-996 provides that companies seeking rate reductions shall also file detailed cost

data clearly demonstrating that implicit support exists in the rates that are proposed to be reduced. Any such tariff filings shall be made by April 1, 2003 and the Commission's decision will be rendered by August 1, 2003.

Previously by Order No. 2003-222 dated April 7, 2003, the Commission granted the SCTC an extension until June 1, 2003, for the companies of the SCTC to file their tariffs and accompanying cost data associated with the USF. Now, the SCTC through its counsel's letter of May 20, 2003, requests an additional extension of time until September 1, 2003, in which to file tariffs and accompanying cost data associated with the USF.

The SCTC asserts in its request that it will be extremely difficult for most of the companies of the SCTC to complete the process of identifying rates that contain implicit support for basic local exchange service, performing cost studies to quantify the implicit support, and putting together the information necessary to make the tariffs filing by June 1, 2003. According to the SCTC, the companies have been diligently working to complete the necessary work; however, this process did not begin until late March, after the Commission took action on the request of six local exchange carriers to reduce rates and draw USF in the end user step of the first phase of implementation of the State USF. In order to ensure consistency, the SCTC states that the SCTC companies have been using a single telecommunications consulting firm to perform the necessary studies and analysis. The SCTC adds further that some of the SCTC companies are nearing the threshold of 1/3 of company-specific State USF, which would require the companies to update their original cost of service studies before requesting additional State USF. The

SCTC states that the additional time being requested is necessary for the SCTC companies to complete appropriate cost studies and evaluate whether the companies will apply for additional State USF. If the Commission were to grant the extension, according to the SCTC, the SCTC understands that it would not be possible for the Commission to implement additional USF funding by October 1, 2003, if any such additional funding is requested. Lastly, the SCTC asserts its belief that it would be feasible for the Commission to grant additional USF funding, if requested, on a delayed schedule as was done with respect to the second step of the first phase of the State USF.

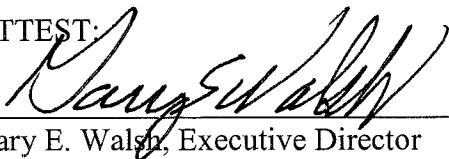
The Commission finds and concludes that the SCTC's request for an additional extension of time to file the Company's tariffs associated with the USF should be granted.

IT IS THEREFORE ORDERED THAT:

1. The deadline of June 1, 2003, as set forth in Commission Order No. 2003-222, shall be extended to September 1, 2003, for the companies of the South Carolina Telephone Coalition to file tariffs and accompanying cost data associated with the South Carolina Universal Service Fund.

2. This Order shall remain in full force and effect until further Order of the Commission.

ATTEST:

  
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Gary E. Walsh, Executive Director  
(SEAL)

  
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Mignon L. Clyburn, Chairman